

SHORT COMMUNICATION

Comparative Analysis of Banking Product Performance in Indian Commercial Banks

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Abstract

The Indian banking sector has undergone significant transformation due to technological advancement, financial liberalization, and increasing customer expectations. Commercial banks continuously introduce diversified banking products such as savings accounts, fixed deposits, loans, credit cards, internet banking and mobile banking services to enhance customer satisfaction and profitability. This study focuses on the comparative analysis of banking product performance in Indian commercial banks, particularly comparing public sector and private sector banks. The research evaluates customer perception, service quality, accessibility, profitability, digital banking efficiency and product innovation. Primary data may be collected through structured questionnaires from bank customers, while secondary data can be obtained from annual reports, RBI publications, journals, and websites. Statistical tools such as percentage analysis, mean, chi-square test, correlation, and regression analysis can be used for interpretation. The findings are expected to identify differences in product performance and customer satisfaction between banks and suggest measures for improving banking products and services.

Key Words: Banking product performance; Customer satisfaction; Commercial banks; Digital banking services; Service quality; Banking product innovation

1. Introduction

Banking products are financial services offered by banks to fulfill the financial needs of customers. These products include deposit products, loan products, digital banking services, investment products, insurance services and payment systems [1]. Indian commercial banks play a crucial role in economic development by mobilizing savings and providing credit facilities to individuals, businesses and industries [2]. The banking sector in India consists of public sector banks, private sector banks, foreign banks, regional rural banks and cooperative banks, all of which contribute significantly to financial inclusion and economic growth [3]. Due to increasing competition, globalization, and rapid technological innovation, banks continuously improve their products and services to attract and retain customers [4]. The emergence of digital banking platforms such as mobile banking, internet banking, 4 UPI services and online payment systems has transformed the banking experience and increased customer expectations regarding convenience, security and service efficiency [5].

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Banking product performance is generally measured through customer satisfaction, profitability, accessibility, convenience, innovation and service quality [6]. In recent years, private sector banks have demonstrated significant progress in digital banking innovation and customer-centric services, while public sector banks continue to maintain strong customer trust and wider accessibility across rural and urban regions [7]. The performance of banking products has therefore become an important determinant of customer loyalty and competitive advantage in the banking industry [8]. The present study aims to conduct a comparative analysis of banking product performance in Indian commercial banks to understand how different banks perform in terms of product efficiency, digital service quality, innovation and customer acceptance.

2. Statement of the Problem

The rapid growth of digital banking and financial technology has increased competition among Indian commercial banks. Customers now expect efficient, secure and innovative banking products [9]. However, differences exist in service quality, accessibility, pricing, customer support and product performance between public and private sector banks. Many customers experience dissatisfaction due to delays, hidden charges, poor digital services or lack of product awareness. In addition, Indian banks face challenges related to asset quality, technological transformation, risk management and operational efficiency [10]. Therefore, there is a need to evaluate and compare the performance of banking products offered by Indian commercial banks [7].

3. Objectives of the Study

- To study various banking products offered by Indian commercial banks.
- To compare the performance of banking products in public and private sector banks.
- To analyze customer satisfaction towards banking products and services.
- To evaluate the role of digital banking products in customer convenience.
- To identify challenges faced by customers while using banking products.
- To suggest measures for improving banking product performance.

4. Research Questions

- How do banking products differ between public and private sector banks?
- What factors influence customer satisfaction regarding banking products?
- Are digital banking products more effective in private banks than public banks?
- What challenges are faced by customers while using banking products?

5. Hypotheses

- H1: There is a significant difference in customer satisfaction between public and private sector banking products.
- H2: Digital banking services positively influence customer satisfaction.
- H3: Banking product innovation significantly affects customer loyalty.
- H4: Service quality has a significant impact on banking product performance.

6. Scope of the Study

The study focuses on Indian commercial banks and evaluates selected banking products such as savings accounts, loans, internet banking, mobile banking, and credit cards. The research compares public and private sector banks based on customer perception and service performance.

7. Significance of the Study

Recent reports indicate that Indian banks have substantially expanded digital banking infrastructure and customer-oriented services to improve operational efficiency and customer experience [11-14]:

- Helps banks improve product quality and customer service.
- Assists policymakers in strengthening the banking sector.
- Provides insights into customer expectations and banking trends.
- Useful for researchers and academicians in banking studies.

8. Limitations of the Study

- The study may be limited to selected banks and customers.
- Time and financial constraints may affect data collection.
- Customer opinions may vary based on personal experiences.
- Rapid technological changes may influence banking product performance.

9. Research Methodology

Research design: The study is descriptive and analytical in nature.

The methodology adopted in this study is based on the principles of scientific research design, data collection, and analysis suggested by Kothari [15].

9.1. Sources of data

Primary data: Collected through structured questionnaires from bank customers.

Secondary data: Collected from:

- RBI reports
- Bank annual reports
- Research journals
- Websites
- Newspapers and books

9.2. Sampling design

Sampling method: Convenience sampling or random sampling.

Sample size: A sample of 100–200 respondents may be selected from different banks.

Data collection tools:

- Structured questionnaire
- Interviews
- Observation

9.3. Data analysis techniques

- Percentage analysis
- Mean and standard deviation
- Chi-square test
- Correlation analysis
- Regression analysis
- Comparative analysis using tables and graphs

10. Analysis and Interpretation**10.1. Customer satisfaction comparison**

Table 1 represents the customer satisfaction levels among customers of public and private sector banks.

Table 1: *Customer satisfaction levels among customers of public and private sector banks.*

Bank type	Highly satisfied	Satisfied	Neutral	Dissatisfied
Public banks	30%	45%	15%	10%
Private banks	50%	35%	10%	5%

10.1.1. Interpretation: The table indicates that customers of private sector banks show higher satisfaction levels due to better digital banking facilities and quicker services.

10.2. Digital banking usage

Table 2 represents the comparative usage of digital banking services in public and private sector banks.

Table 2: *Comparative usage of digital banking services in public and private sector banks.*

Service	Public banks	Private banks
Mobile banking	60%	85%
Internet banking	55%	80%
UPI services	75%	90%

10.2.1. Interpretation: Private sector banks demonstrate better adoption and efficiency in digital banking services compared to public sector banks.

11. Findings

- Private sector banks provide more innovative banking products.
- Public sector banks enjoy greater customer trust and accessibility.
- Digital banking significantly improves customer satisfaction.
- Service quality directly affects banking product performance.
- Customers prefer banks with easy digital access and quick grievance handling.

12. Suggestions

- Public sector banks should improve digital banking infrastructure.
- Banks should introduce customer-centric product innovations.
- Better cybersecurity measures should be implemented.
- Employee training programs should be enhanced.
- Banks should reduce hidden charges and improve transparency.

13. Conclusion

The study concludes that banking product performance plays a vital role in customer satisfaction and competitiveness in the Indian banking industry. Private sector banks perform better in digital innovation and service delivery, while public sector banks maintain stronger public trust and market presence. Effective banking products, technological advancement, and quality customer service are essential for sustainable growth. Indian commercial banks must continuously improve their products and services to meet changing customer expectations and maintain long-term customer relationships.

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